



## Office of the Mayor

### **NEWS RELEASE**

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### **New strategy seeks to expand downtown renaissance**

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In three years, downtown South Bend could have a new central square, increased redevelopment north of a reoriented Coveleski Regional Stadium, a clear strategy for new development in the East Bank Village, and a new hotel and a pharmacy in its center core.

Mayor Stephen J. Luecke outlined that vision today as part of a new three-year downtown strategy, which prioritizes the city's investments to create and expand opportunities for partnerships for new development. The announcement came following the presentation to the Redevelopment Commission of the city's 2008 plan for spending resources generated by the downtown tax incremental finance, or TIF, district.

Growing out of priorities identified in City Plan and resulting from a change in leadership in 2007 in the city's department of Community and Economic Development, the downtown strategy follows months of planning by an ad-hoc group and now will be reviewed by key stakeholders, public and private, before it is finalized.

"There's been an undeniable renaissance in South Bend's downtown as we've seen a concentration of the region's live entertainment options along the Michigan Street corridor. This strategy will help continue that rebirth through all parts of downtown by publicly identifying the city's development priorities," Luecke said. "With this strategy, all developers and citizens will know my administration's intentions for downtown development, and it will shape the day-to-day priorities of staff."

The six-page Central Area Development Strategy identifies how the city will allocate resources to spur private investment. Through 2008 alone, city will invest nearly \$3.8 million toward priorities that seek to:

- Reconstruct Michigan Street from Western Avenue to LaSalle Avenue, refurbish the

KeyBank plaza, restore the All American Plaza and create a design for a new Town Square south of the Michigan/Washington intersection.

- Begin the first phase of planning for mixed-use development on the East Bank.
- Secure former Gates Chevrolet properties for new development in conjunction with planning for a reoriented entrance to Coveleski Regional Stadium.
- Acquire and demolish blighted property at a key downtown entrance at the southwest corner of Michigan and Monroe.
- Assemble the last piece in a West Washington Street promenade of historically significant buildings, stretching from downtown to the Museums at Washington and Chapin, to make room for a relocated downtown business.

“There are several themes that provide a guiding framework for downtown development, including arts and entertainment, banking and industry, historic heritage, government services and health-care services,” said Jeff Gibney, interim director of community and economic development, who led the planning effort. “We want to engage the business community, as well as educational institutions, in planning for the downtown’s long-term economic growth. We also want to develop the riverfront and open spaces to create exciting public spaces and livable neighborhoods.”

According to a 2002 survey, nearly 18,000 people work downtown, which already has been the scene of dynamic growth. Office occupancy is on the rise with 9 of every 10 offices occupied. In 2004 *Expansion Magazine* ranked South Bend for the first time “among the 40 hottest real estate markets for business. The presence of the St. Joseph Valley Metronet brought a Utah developer with plans to invest \$14 million to convert the former Studebaker Administration Building into high-tech office space. Several new restaurants have moved downtown, including Trio’s jazz club and Rum Runners Dueling Piano Bar along Michigan Street, the latter moving from Mishawaka. Major investment is taking place in the central core – by Baker & Daniels in the KeyBank Building as well as at the All America Plaza. Last month, REI Investments announced its plan to build a 200-room hotel atop a new parking garage at Jefferson Boulevard and St. Joseph Street, across from Century Center. They’ve set aside up to 50 units for Gameday condominiums – a project that could happen in conjunction with the new convention hotel or at another site. And for those who feared the forthcoming \$200-million Eddy Street Commons would take away from downtown, the proposed convention hotel would be operated by White Lodging (which also will operate the two new hotels in the Eddy Street Commons).

Based on planning by the city’s Community and Economic Development staff in consultation with downtown stakeholders, the city will use a market-based strategy supplemented by a “reasonable” monetary contribution by the city, giving priority to:

- Projects developed on city-owned property.
- Development contiguous to other efforts that could serve as a catalyst for future development.
- Immediate implementation of “slam dunk” projects that can be accomplished quickly.
- Key goals for downtown development, including highly desirable retail and market-rate housing.
- Addressing immediate conditions of slum and blight.

The bulk of the city’s resources for investment come from revenue in the downtown TIF (tax increment financing) district. In a TIF district, the increase in tax revenue generated

by development stays within the boundaries of the district to fund infrastructure improvements, including curbs, sidewalks, streets, landscaping and other public improvements.

Initiatives in the three-year strategy include (in order of priority):

1. **Michigan Street infrastructure improvements** – Over two years, the city will spend \$600,000 to thoroughly reconstruct street, curb and sidewalks along Michigan Street from Western Avenue north to LaSalle Avenue. After minor repairs this fall, construction will take place in spring 2008.
2. **A drive-through pharmacy and/or grocery store** -- The city is working with CB Richard Ellis, 202 S. Michigan St., to determine what sites provide the best criteria to recruit a national drugstore chain or a boutique grocery store to possible sites within the central business district, including city-owned property at Main Street and Western Avenue or at the northwest corner of Chapin Street and Western Avenue. Downtown residents and the nearly 18,000 people who work downtown identify a pharmacy as the No. 1 retail goal for downtown.
3. **LaSalle Hotel – Hoffman Hotel** – With at least two developers exploring the site as potential apartments, condominiums or a boutique hotel, the city's Redevelopment Commission is prepared to accept an option agreement that would give a developer site control for up to nine months. The city is prepared to build a parking garage between the Morris Performing Arts Center and the hotel using TIF dollars, but will not budget the funds until there is commitment from a developer.
4. **East Bank mixed-use development** – The Redevelopment Commission has engaged JJR of Chicago to work Holladay Corp., a local developer serving on a volunteer basis, to lead a comprehensive planning process for new development along the East Bank from LaSalle Avenue south to Jefferson Boulevard and from the Race east to Hill Street. The city has budgeted \$100,000 in 2007 for two planning contracts, while additional TIF funds are available in 2008 and 2009 for anticipated pre-development investment. An additional priority is for primarily residential development from Jefferson Boulevard south to the Transpo site on the river and east to Eddy Street.
5. **Central Library expansion** – The St. Joseph County Public Library has plans for a 37,000-square-foot expansion of its main library. But project estimates of \$25 million to \$40 million led the library to delay the project until 2017 because of insufficient bonding capacity in the wake of the Circuit Breaker. Redevelopment staff will meet with library officials to express the city's support and explore ways the city can assist, including financially.
6. **Sale of city-owned property** – CB Richard Ellis will actively market all city-owned property in the downtown (and in its industrial parks). Similarly, the Redevelopment Commission is considering a five-year option agreement by Grubb & Ellis|Cressy & Everett, 3930 Edison Lakes Parkway in Mishawaka, to act as master developer of Blackthorn, which could feature mixed use and residential development.
7. **Gates Chevrolet properties** – In the first step of ongoing work to control sites owned by Gates in the southern quadrant of downtown, the city plans to buy former Gates Chevrolet properties, including the old Sears building and a lot at Williams and Wayne streets. The goal is to secure properties near the city-owned Coveleski Regional Stadium for a potential public-private development in conjunction with a new entrance to stadium through centerfield.
8. **Demolition of Fat Daddy's block** – Located at a key entrance to the central business district, this series of connected brick commercial buildings at 501-505 S. Michigan St. now houses only Fat Daddy's Discount Outlet with much of the space vacant. The

property has been a blighting influence for more than two decades. Insisting that the property is an obstacle to redevelopment, the city seeks to acquire and demolish the block along with planning for its reuse. Once demolished, the property will be marketed by CB Richard Ellis.

9. **A new Town Square on Michigan Avenue** – Based on ideas generated in the City Plan process, the city will expand Knute Rockne Plaza along Michigan Street, south of Washington Street, into a new Town Square with additional green space, benches and sculpture. The city also is in conversation with Teachers Credit Union about creating a special event space at its lot on the southwest corner of the intersection. TCU could build a two-story open-air shed that would enclose its existing parking lot and enable it to serve as a special-event space for evenings and weekends.
10. **Oliver Home, from 405 W. Wayne St. to the 400 block of West Washington St.** – This architecturally significant 1872 Italianate villa, now home to the Diamond & Diamond law firm, would be moved from its current location, wedged between two industrial outbuildings, to a more visible location west of the Historic Landmarks Foundation of Indiana office. The relocation would complete an avenue of highly historic properties from the Old Courthouse to the museum campus at Washington and Chapin streets.
11. **St. Joseph Street traffic calming** – In order to make the street more pedestrian friendly and better connect Century Center with the rest of the central business district, the city will add on-street parking, landscaping and medians at integral walkways to slow the speed of traffic. The city plans to budget resources in 2008 to accomplish this change.
12. **Rushton Apartments** – The city will work with Historic Landmarks Foundation of Indiana to develop this historic apartment structure at the corner of Washington and Williams streets into apartments or condominiums.
13. **South Bend Regional Museum of Art** – The city is providing a planning grant for design work on a sculpture garden along St. Joseph Street.

Since he began work Jan. 15, Gibney has been working in consultation with department staff and key stakeholders on the plan.

For planning purposes, the city defines South Bend's downtown as bounded by Memorial Hospital on the north, Eddy Street on the east, Sample Street on the south and Dr. Martin Luther King Jr. Drive (Chapin Street) on the west.

"We are prepared to guide growth in the downtown and elsewhere in the city," Luecke said. "With Jeff Gibney at the helm, we are open for business in South Bend. New energy, creativity and a 'can do' attitude will support business and investment."

# South Bend's New Downtown Renaissance... A 3 Year Strategy for Development

